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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	
	:	Chapter 11
	:	Case No. 18-13358 (SHL)
MIAMI METALS I, INC., et al., ¹	:	(Jointly Administered)
	:	Related Doc. Nos. 1413
	:	
Debtors.	:	
	:	

**LIMITED OBJECTION OF SCMI US, INC.
TO THE DEBTORS' MOTION AUTHORIZING DEBTORS TO ENTER INTO AND
PERFORM UNDER AMENDED PLAN SUPPORT AGREEMENT (DOC. 1413) AND
SUBMISSION OF PROPOSED FINAL CASH COLLATERAL ORDER (DOC. 1411)**

SCMI US, INC. ("SCMI") (commonly referred by Debtors as "Sumitomo"), as a party-in interest and creditor in the above-captioned chapter 11 cases (collectively, the "Chapter 11 Cases"), by its attorneys, BORGES & ASSOCIATES, LLC. hereby files this limited objection (the "Objection") to the Debtors' *Motion for Entry of An Order Under Bankruptcy Code Sections 105(a) and 363(b) Authorizing Debtors to Enter Into and Perform Under Amended Plan Support*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Miami Metals I, Inc. (f/k/a Republic Metals Refining Corporation), 15 West 47th Street, Suites 206 and 209, New York, NY 10036 (3194); Miami Metals II, Inc. (f/k/a Republic Metals Corporation), 12900 NW 38th Avenue, Miami, FL 33054 (4378); Miami Metals III LLC (f/k/a Republic Carbon Company, LLC), 5295 Northwest 163rd Street, Miami Gardens, FL 33014 (5833); Miami Metals IV LLC (f/k/a J & L Republic LLC, 12900 NW 38th Avenue, Miami, FL 33054 (7604); Miami Metals V LLC (f/k/a R & R Metals, LLC), 12900 NW 38th Avenue, Miami FL 33054 (7848); Miami Metals VI (f/k/a RMC Diamonds, LLC), 12900 NW 38th Avenue, Miami, FL 33054 (1507); Miami Metals VII (f/k/a RMC2, LLC), 12900 NW 38th Avenue, Miami, FL 33054 (4696); Miami Metals VIII (f/k/a Republic High Tech Metals, LLC), 13001 NW 38th Avenue, Miami, FL 33054 (6102); 12900 NW 38th Avenue, Miami, FL 33054 (1507); Republic Metals Trading (Shanghai) Co., Ltd., 276 Ningbo Road, Huangpu District, Shanghai, P.R. 200001 China (1639); and Republic Trans Mexico Metals, S.R.L., Francisco I. Madero No. 55 Piso 5, Local 409, Centro Joyero Edificio Central, Delegacion Cuauhtemoc, Mexico DF 6000 (2942).

Agreement (“Motion to Approve Amended Plan Support Agreement” - Docket No. 1413), and the Debtors’ “Submission of the Proposed Final Cash Collateral Order” - Docket No. 1411) and in support thereof, respectfully states the following:

1. On August 9, 2019, this Court denied the Debtor’s motion to approve a Plan Support Agreement dated May 22, 2019 (the “Prior PSA”) for the following reasons, *inter alia* (a) holders of significant Title Property Claims did not participate in the negotiations of the Prior PSA or the settlement agreement, and (2) the Ownership Reserve established pursuant to the Prior PSA was theoretically not sufficient to satisfy all Title Property Claims.

2. Subsequent thereto, although discovery on the ownership claim of SCMI is ongoing, neither the Debtors nor the Secured Parties had any discussion whatsoever with SCMI regarding the prior PSA or any amendment to the PSA. Accordingly, SCMI has not had any input into any proposed amendment to the PSA and no meaningful discussions of any proposed settlement have been had.

3. While the Amended Plan Support Agreement appears to correct some of the deficiencies of Prior PSA, the Court should not approve the Amended Plan Support Agreement until and unless the Debtor and/or Secured Lenders have established a reserve equal to at least 100% of the aggregate amount of the remaining Customer ownership claims. There is no specificity as to the amount of the Ownership Reserve to be established and no evidence presented as to the totality of an Ownership Reserve that will adequately protect all of the Ownership claimant rights.

4. Unless and until the adequacy of any such Ownership Reserve amount is established and said Ownership Reserve is actually in place, the Amended Plan Support Agreement cannot be approved.

5. The Amended Plan Support Agreement provides for broad releases for the Secured Lenders while, in theory, enabling SCMI and other holders of ownership claims to proceed only against an Ownership Reserve yet to be established. SCMI continues to investigate its potential claims against the Debtors', Senior Lenders and insiders for any of their pre and post petition activities which resulted in a misappropriation of SCMI's property by way of improper use or transfer of SCMI's property to the detriment of SCMI. These claims must not be released and must be preserved for SCMI. No Final Order of Cash Collateral should release the Debtors or the Secured Parties. The Secured Parties should not be released from any liability for receiving or accepting SCMI's property or allowing its misuse or misappropriation by any of them.

6. As stated above, at this juncture, SCMI is investigating into whether or not the Secured Lenders have breached any duties or obligations to the Debtor's estate. In no event should any Plan Support Agreement bind any individual ownership claimant from pursuing any claims against the Secured Lenders. The proposed Final Cash Collateral Order which is part and parcel of the Amended Plan Support Agreement provides for a release of any and all claims against the Secured Lenders, including any lender liability claims. There should be no such release until a final Plan Confirmation on which all creditors have had an opportunity to vote.

Dated: September 30, 2019

BORGES & ASSOCIATES, LLC

Attorneys for SCMI US INC.

By: /s/ Wanda Borges

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CERTIFICATE OF SERVICE

I hereby certify that on September 30, 2019 a copy of the foregoing **LIMITED OBJECTION OF SCMI US, INC. TO THE AMENDED PLAN SUPPORT AGREEMENT** was served by:

(1) electronic notification through the CM/ECF System on all parties registered in this case; and

(2) first class mail, postage prepaid, to the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, NY 10014.